

# **Exhibit 5**

October 23, 2015

## Equity Research

### Eros International Plc

EROS: Stepping To The Sidelines--Downgrading To Market Perform

• **Stepping to the sidelines – downgrading to Market Perform.** We've been big supporters of EROS since launching coverage with an Outperform in Sept. 2014, but a few key metrics have been put under the spotlight since the 10/13 Investor Day, causing us to take a fresh look at our thesis. Specifically, i) the continued increase in receivables, driven by a sudden spike in revs. booked in the UAE (a red flag for some investors; see below); ii) whether EROS will actually be FCF positive by FYE'16, as previously guided; and iii) validation of the actual ErosNow user count. Mgmt. held a conference call with sell-side analysts this morning to make some formal comments addressing most of these issues, but we still came away feeling a bit confused so we're downshifting into a wait-and-see mode. On receivables, mgmt. expects a meaningful decline to roughly \$150MM by the March qtr. (FQ4) – but the path and movement of funds are still confusing to us. Secondly, mgmt. still expects to be FCF positive in F'16, but we'd like to see this play out, especially with the expectation of 20 more films being added per year and increasing ErosNow content spend. Lastly, it's tough to audit the ErosNow user count, especially without any monetization around it (yet). Bottom line, we're stepping to the sidelines and downgrading to a Market Perform as we'd like to see some of receivables drop, FCF turn positive, and some monetization from ErosNow before we get comfortable again. We've pulled ErosNow out of our val. for now (investors already seem to be discounting it), so our val. range drops to \$20-22 from \$48-50.

• **Receivables should drop to roughly \$150MM by the March quarter.** Mgmt. broke down the receivables in a very detailed manner, but quite frankly it was still difficult for the analysts on the call to fully grasp the collection cycle and movement of funds (particularly deals booked in the UAE). We still don't know the largest content buyers driving this increase, and we aren't fully comfortable with the fact nearly half of revenue originates outside of India.

• **Management still expects to be FCF positive by FYE'16.** The co. seemed pretty confident that it would turn FCF positive since we initiated in late-'14, and the outlook hasn't changed. At this point, we'd like to see some meaningful progress take hold over the next couple of quarters. Plus, the pending increase in films and ErosNow content is something to keep an eye on.

• **We're still feeling uncertain about the ErosNow user count.** Public websites that track app downloads (i.e. App Annie) show relatively low rankings for ErosNow vs. other Indian streaming services with lower user counts (i.e. Saavn had 14MM users at 7/2015, yet ranks higher on App Annie). We can't reconcile the disparity and it's a red flag for investors – so until we see some meaningful monetization from ErosNow, we have a tough time giving credit for it in our valuation. Mgmt.'s point of view is that these are almost entirely WAPP users that register thru phone numbers or email addresses. The problem is that we can't verify it, even if it's the predominant method of phone usage in India.

#### Valuation Range: \$20.00 to \$22.00 from \$48.00 to \$50.00

Our val. range is based on our 5-year DCF, using 4% terminal growth and 9% discount rate. Risks incl. investments in India by US media players, a weak Indian currency, under-reporting by theaters, & overhang from family ownership.

#### Investment Thesis:

We like the LT growth story, but remain on the sidelines until we see improvement in receivables and get more comfortable with ErosNow.

**Please see page 2 for rating definitions, important disclosures and required analyst certifications**

**All estimates/forecasts are as of 10/23/15 unless otherwise stated.**

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## Market Perform / V

**Sector: Diversified Entertainment**

**Market Weight**

**Rating Change**

EPS	2015A	2016E		2017E	
		Curr.	Prior	Curr.	Prior
Q1 (June)	(\$0.08)	\$0.00 A	NC	\$0.08	NC
Q2 (Sep.)	0.05	0.37	NC	0.25	NC
Q3 (Dec.)	0.41	0.11	NC	0.77	NC
Q4 (Mar.)	0.30	0.45	NC	0.53	NC
FY	\$0.69	\$0.94	NC	\$1.63	NC
CY	\$0.93	NE		NE	
FY P/EPS	28.5x	20.9x		12.0x	
Rev.(MM)	\$284	\$300		\$392	

Source: Company Data, Wells Fargo Securities, LLC estimates, and Reuters  
 NA = Not Available, NC = No Change, NE = No Estimate, NM = Not Meaningful  
 V = Volatile, \* = Company is on the Priority Stock List

Ticker	EROS
Price (10/23/2015)	\$19.63
52-Week Range:	\$15-40
Shares Outstanding: (MM)	57.8
Market Cap.: (MM)	\$1,134.6
S&P 500:	2,065.54
Avg. Daily Vol.:	1,176,010
Dividend/Yield:	\$0.00/0.0%
LT Debt: (MM)	\$220.1
LT Debt/Total Cap.:	29.4%
ROE:	8.0%
3-5 Yr. Est. Growth Rate:	15.0%
CY 2015 Est. P/EPS-to-Growth:	1.4x
Last Reporting Date:	08/18/2015
	Before Open

Source: Company Data, Wells Fargo Securities, LLC estimates, and Reuters

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Together we'll go far



## Media &amp; Cable

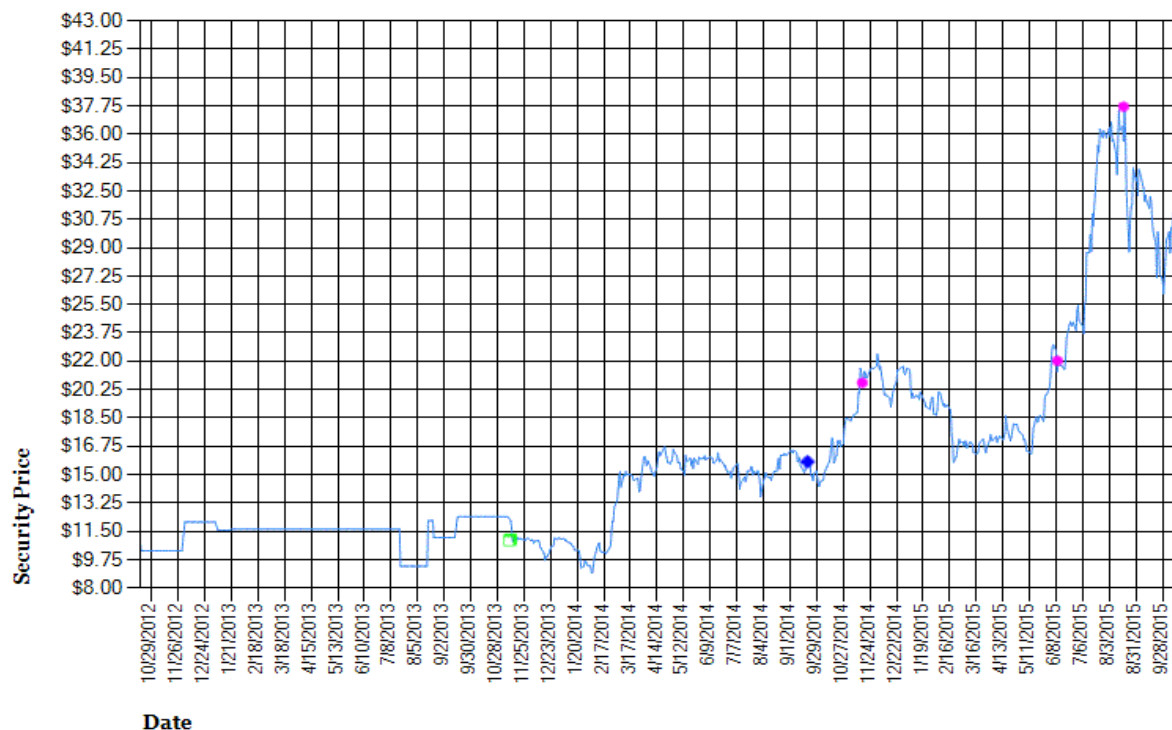
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## Company Description:

Eros International Plc is a leading global company in the Indian film entertainment industry, which co-produces, acquires and distributes Indian-language films in multiple formats worldwide. The company monetizes content through theatrical releases, TV syndication, digital outlets (i.e. Youtube and Eros Now), SVOD/VOD, music, and other ancillary formats (i.e. in-flight entertainment). Eros has aggregated rights to over 2,300 films, plus digital-only rights for another 700 films. The company's fiscal year ends on March 31st.

## Required Disclosures

## Eros International Plc (EROS) 3-yr. Price Performance



Date	Published Price (\$)	Rating Code	Val. Rng. Low	Val. Rng. High	Close Price (\$)
11/13/2013		Lists on NYSE			
9/22/2014		Katz			
9/22/2014	15.51	1	19.00	21.00	15.68
11/17/2014	20.59	1	24.00	26.00	20.59
6/10/2015	21.97	1	28.00	30.00	21.97
8/19/2015	35.56	1	48.00	50.00	37.60

Source: Wells Fargo Securities, LLC estimates and Reuters data

## Symbol Key

- ▼ Rating Downgrade
- ▲ Rating Upgrade
- Valuation Range Change
- ◆ Initiation, Resumption, Drop or Suspend
- Analyst Change
- Split Adjustment

## Rating Code Key

- 1 Outperform/Buy
- 2 Market Perform/Hold
- 3 Underperform/Sell
- SR Suspended
- NR Not Rated
- NE No Estimate

Eros International Plc

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**EROS:** Risks incl. investments in India by US media players, a weak Indian currency, under-reporting by theaters, & overhang from family ownership.

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**1=Outperform:** The stock appears attractively valued, and we believe the stock's total return will exceed that of the market over the next 12 months. BUY

**2=Market Perform:** The stock appears appropriately valued, and we believe the stock's total return will be in line with the market over the next 12 months. HOLD

**3=Underperform:** The stock appears overvalued, and we believe the stock's total return will be below the market over the next 12 months. SELL

**SECTOR RATING**

**O=Overweight:** Industry expected to outperform the relevant broad market benchmark over the next 12 months.

**M=Market Weight:** Industry expected to perform in-line with the relevant broad market benchmark over the next 12 months.

**U=Underweight:** Industry expected to underperform the relevant broad market benchmark over the next 12 months.

**VOLATILITY RATING**

**V** = A stock is defined as volatile if the stock price has fluctuated by +/-20% or greater in at least 8 of the past 24 months or if the analyst expects significant volatility. All IPO stocks are automatically rated volatile within the first 24 months of trading.

As of: October 23, 2015

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